

Consumer Protection

MISSION STATEMENT

The mission of the Office of Consumer Protection is to enforce consumer protection laws prohibiting unfair and deceptive business acts or practices to ensure a fair marketplace for consumers and businesses. Activities include complaint resolution, law enforcement, education, legislation, advocacy, and outreach to vulnerable consumers.

BUDGET OVERVIEW

The total approved FY07 Operating Budget for the Office of Consumer Protection is \$2,592,180. Personnel Costs comprise 92.5 percent of the budget for 23 full-time positions and one part-time position for 23.3 workyears. Operating Expenses account for the remaining 7.5 percent of the FY07 budget.

HIGHLIGHTS

❖ Productivity Enhancements

- Recruited and trained bilingual volunteers to address the needs of Montgomery County's Latino and Hispanic communities.
- Initiated a Consumer Tip of the Week on the Office of Consumer Protection website.

PROGRAM CONTACTS

Contact Marsha Carter of the Office of Consumer Protection at 240.777.3686 or Rose Glavinic of the Office of Management and Budget at 240.777.2769 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Consumer Protection

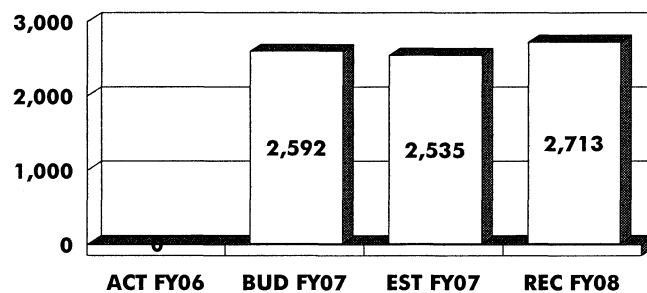
The Office of Consumer Protection receives and investigates complaints and initiates its own investigations of deceptive or unfair trade practices against consumers. Staff resolves disputes between consumers and merchants, identifies violations of County, State, and Federal consumer protection laws, and makes referrals to other agencies when appropriate. Complaint categories include automotive sales/repairs, new home construction, home improvement repairs, predatory financial practices, credit and collection practices, telemarketing, and retail sales.

The Office of Consumer Protection issues subpoenas to compel the production of documents or compel the attendance of witnesses. The office is authorized to hold hearings, administer oaths, and issue civil citations for violations of consumer protection laws. Special investigations are conducted and may result in Settlement Agreements or abatement orders, or in transmitting cases to the Office of the County Attorney for appropriate legal action. Investigators initiate charges for criminal prosecutions by the Office of the State's Attorney, and

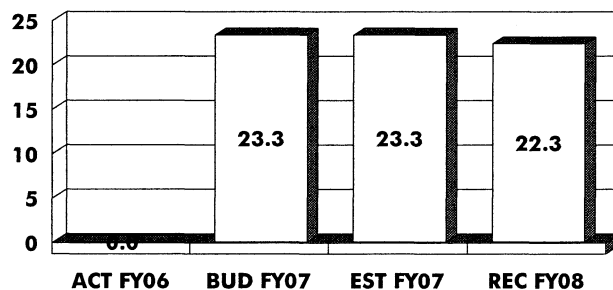
Program Summary

	Expenditures	WYs
Consumer Protection	2,492,570	20.4
Commission on Common Ownership Communities	220,150	1.9
Totals	2,712,720	22.3

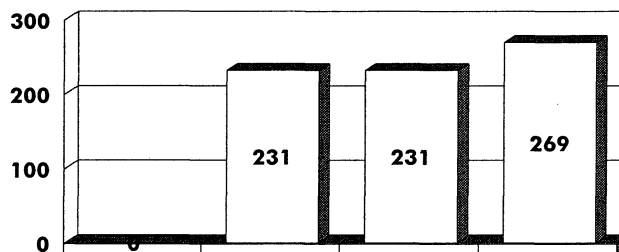
Trends



EXPENDITURES [\$000s]



WORKYEARS



RELATED REVENUES [\$000s]

investigators also testify in court as expert witnesses. In addition, the Office engages in consumer advocacy by testifying before County, State, and Federal legislative bodies and by drafting new legislation to protect consumers.

The Office of Consumer Protection develops and conducts consumer education programs. The office issues press releases through the Public Information Office, holds press conferences, and publishes consumer brochures, staff responds to requests for information regarding consumer protection rights and remedies. Staff makes presentations at schools; community, business and civic group meetings; and frequently appear on television and radio news programs. The Office maintains a webpage containing consumer protection information, a record of the number of complaints received against merchants, and consumer alerts. Outreach efforts include initiatives to better address the needs of vulnerable consumers, underserved communities, and residents with limited English proficiency. The Office also works with the Advisory Committee on Consumer Protection.

The Office of Consumer Protection is responsible for licensing or registering automobile repair and towing businesses; new homebuilders; radio, television and electrical appliance repair shops; and secondhand personal property dealers.

FY08 Recommended Changes

	Expenditures	WYs
FY07 Approved	2,374,140	21.4
FY08 CE Recommended	2,492,570	20.4

Commission on Common Ownership Communities

The Office of Consumer Protection serves as staff to the Commission on Common Ownership Communities. This Commission serves as an alternative dispute resolution mechanism to mediate and arbitrate certain disputes between the governing bodies of homeowner associations, condominium associations, and cooperatives, and the individuals living within these common ownership communities. The Commission also provides education to governing bodies of common ownership communities and their residents and acts as an advocate for their interests.

FY08 Recommended Changes

	Expenditures	WYs
FY07 Approved	218,040	1.9
FY08 CE Recommended	220,150	1.9

BUDGET SUMMARY

	Actual FY06	Budget FY07	Estimated FY07	Recommended FY08	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	1,712,130	1,681,410	1,811,750	5.8%
Employee Benefits	0	686,000	715,870	769,220	12.1%
County General Fund Personnel Costs	0	2,398,130	2,397,280	2,580,970	7.6%
Operating Expenses	0	194,050	138,090	131,750	-32.1%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	0	2,592,180	2,535,370	2,712,720	4.7%
PERSONNEL					
Full-Time	0	23	23	22	-4.3%
Part-Time	0	1	1	1	—
Workyears	0.0	23.3	23.3	22.3	-4.3%
REVENUES					
New Home Builder License	0	171,500	171,500	200,000	16.6%
Consumer Affairs Business Licenses	0	59,890	59,890	69,200	15.5%
County General Fund Revenues	0	231,390	231,390	269,200	16.3%

FY08 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY07 ORIGINAL APPROPRIATION	2,592,180	23.3
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: General Wage and Service Increment Adjustments	95,280	0.0
Increase Cost: Personnel Cost Adjustment	47,360	0.0
Increase Cost: Retirement Rate Adjustment	21,360	0.0
Increase Cost: Other Compensation Adjustment	13,820	0.0
Increase Cost: Printing and Mail Adjustments	10,990	0.0
Increase Cost: Annualization of FY07 Personnel Costs	10,120	0.0
Increase Cost: Labor Contracts - Other	3,960	0.0
Decrease Cost: Technical Adjustment	0	-1.0
Decrease Cost: Professional Services for: building inspectors, construction specialists, conferences, and training programs [Consumer Protection]	-5,000	0.0
Decrease Cost: Printing/Central Duplicating Services and Bulk Mail/Postage Services [Consumer Protection]	-6,290	0.0
Decrease Cost: Group Insurance Rate Adjustment	-9,060	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY07	-62,000	0.0
FY08 RECOMMENDED:	2,712,720	22.3

FUTURE FISCAL IMPACTS

Title	CE REC. FY08	FY09	FY10	(S000's) FY11	FY12	FY13
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY08 Recommended	2,713	2,713	2,713	2,713	2,713	2,713
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	109	217	219	219	219
These figures represent the annualization of service increments, general wage adjustments, and associated benefits. Estimated compensation (e.g., general wage adjustments and service increments) for personnel are included for FY09 and beyond.						
Labor Contracts - Other	0	4	4	4	4	4
These figures represent other negotiated items included in the labor agreements.						
Subtotal Expenditures	2,713	2,825	2,934	2,936	2,936	2,936

CONSUMER PROTECTION						
PROGRAM: Consumer Protection			PROGRAM ELEMENT:			
PROGRAM MISSION: To investigate and attempt to resolve consumer complaints concerning home sales, improvements, and mortgages; automobile sales and repairs; and other merchants and service providers in a manner that is both timely and fair						
COMMUNITY OUTCOMES SUPPORTED: • Maintain a marketplace that is fair to all parties, including consumers, merchants, landlords, tenants, homeowners, and their governing boards • Foster respect for the law • Provide responsive government • Promote a positive business climate						
PROGRAM MEASURES		FY04 ACTUAL	FY05 ACTUAL	FY06 ACTUAL	FY07 BUDGET	FY08 CE REC
<u>Outcomes/Results:</u>						
Estimated total restitution to consumers (\$000)		854	1,708	703	1,300	1,430
<u>Service Quality:</u>						
Percentage of complainants satisfied with:						
- The way in which the complaint was handled		89	93	87	88	88
- The outcome from filing the complaint		75	83	80	80	80
<u>Efficiency:</u>						
Service units completed per workyear		1,707	1,870	1,457	1,375	1,571
Average cost per service unit completed (\$)		58.40	54.18	73.48	80.89	77.45
Volunteer hours contributed		2,829	5,518	3,282	3,610	3,610
<u>Workload/Outputs:</u>						
Consumer complaints closed		2,524	2,250	2,132	2,345	2,580
Information calls answered		26,277	29,659	22,355	24,500	26,950
Disclosures		5,854	5,482	3,929	5,200	5,500
Total service units provided		34,655	37,391	28,416	32,045	35,030
<u>Inputs:</u>						
Expenditures (\$000)		2,024	2,026	2,088	2,592	2,713
Workyears		20.3	20.0	19.5	23.3	22.3